

# Austin Financial Center

## *Fiscal Digest*

February 2001

## AFC HOSTS VA QUARTERLY MEETING

The Austin Financial Center (AFC) hosted the first quarterly Department of Veterans Affairs (VA) and Financial Management Service (FMS) meeting for this year on Jan. 10, 2001. Previous meetings have been a successful way of keeping communications open and providing continuous customer service between FMS and the VA.

There were approximately 40 representatives from FMS and VA attending this meeting. Several guests from FMS Headquarters in Washington, DC attended, including Cathy Donchatz, who presented the status and marketing efforts that have been taken by FMS Central and Regional Offices for the Electronic Transfer Account (ETA) program. Brenda Rodriguez and David Metler, also from FMS Headquarters, gave a presentation on the modernization of the Government Wide Accounting (GWA) system and a demonstration of the latest three applications; Statement of Difference, Appropriation Warrants, and Undisbursed Applications, which are available to the federal program agencies. Ray Burkett from Veterans Benefits Administration (VBA) in Hines, IL, mentioned that VBA is



currently using the Undisbursed Application (FMS 6653). This report has reduced their printing volume from two reams of paper to 35 pages. VBA is very pleased with this report.

Byron Warren, Program Analyst, at AFC and Jerry Napoli, of VA's Central Office

INDEX	
Agency Deposits	2
IRS E-file/Direct Deposit	3
Email Notice	3
Web Site	4
CVFR	4

talked about the medical payment remittance delivery process. Other agenda items

included Benefits Delivery Network-EFT status presented by Tracy Betts of the VA/VBA in St. Petersburg, FL. Joyce Moeder, Veterans Affairs Central Office for Finance, discussed the need for updating EFT/address changes and other information on the backside of the check envelopes. Andy Anderson manager of the Customer Assistance Staff at AFC, discussed Imprest

Funds and stated that all federal agencies must eliminate imprest funds by October 1, 2001. Combo II issues were also discussed by Susan Veintemillas, Deputy Director, AFC. Participants stated that the meeting, like prior meetings, was very successful. Our next quarterly meeting is scheduled for Apr. 18, 2001. ♦

## Agency Deposits at Federal Reserve Banks

A new Treasury Financial Manual Bulletin (TFM) will be released in February containing changes in the way some federal agencies make their deposits. The Federal Reserve Banks (and Branches) have discontinued their teller function for receiving federal agency deposits, selling and redeeming government securities, accepting federal tax deposits, and other services. This change will impact federal agencies in two ways. First, federal agencies will no longer be able to make incidental cash (coin and currency) deposits at the FRB. Cash will have to be converted to a cashier's check or money order and mailed to the FRB along with other checks collected, or cash may be deposited at a Treasury General Account (TGA) bank.



*"New TFM Bulletin to be released in February containing information for Agencies and their depositories"*

Second, federal agencies will no longer be able to tender deposits to an FRB cashier for immediate confirmation of credit to the TGA and receive a signed and dated Deposit Ticket (SF215). While this is not widespread, there are some agencies that have made deposits in this manner.

Agencies may continue to mail their check deposits, or have check deposits delivered via courier to the FRB check departments for processing. The FRB will receive delivery of the checks for credit to the Treasury. However, there will not be a FRB cashier available to confirm the deposit by signing and dating the SF215 at the point of delivery. After the checks have completed the proof process, the FRB will confirm the deposit and mail the signed SF215 to the depositing agency.

We are planning several training/feedback sessions to provide a face-to-face opportunity for agencies to discuss any problems or concerns directly with FMS Headquarters staff. Cities being considered include Philadelphia, Atlanta, Kansas City, Fort Worth, Denver, and San Francisco. The two hour sessions have been added to the agenda for the Fort Worth and Atlanta Agency Forums that have already been advertised. For further information, contact Beverly Ash at (512) 342-7305 or visit the FMS website at [www.fms.treas.gov/bull.html](http://www.fms.treas.gov/bull.html). ♦

## Smart Taxpayers Choose the *e-file*/ Direct Deposit Combination

The past year, tax filing season 2000, was a boost to increasing electronic transactions. Thirty-five million people used the **Internal Revenue Service's** (IRS) *e-file* to file their federal tax returns, and more than 29 million people received their income tax refunds using direct deposit. That means almost 30 percent of refund payments were made by direct deposit, a significant increase compared with the 8 percent of tax refund payments made electronically in fiscal 1995. This progress not only saves the federal government money, but also serves taxpayers more efficiently with fewer errors and faster refunds. Financial Management Service (FMS) and IRS expect to increase these numbers again this year.

### Think *e-file* and Direct

**Deposit!** Many combinations and choices exist for filing,

paying, and receiving a refund for federal income taxes. Taxpayers might choose to file a paper form 1040 and request a direct deposit refund into an account at a financial institution. Or, if taxes are owed, taxpayers may request an automatic deduction of the amount from their accounts on a specific date. Taxpayers also may choose to file electronically (*e-file*) and request refunds be made by a paper check, or they may write a paper check for any funds due the government. But, to file returns the safest way possible and receive refunds the fastest way possible, taxpayers should *e-file* and request direct deposit. There is less than a 1 percent error rate for e-filing, and taxpayers receive their refunds in less than half the time with direct deposit, in as few as 10 days.

For more information on *e-file* and Direct Deposit, visit the IRS web site at [www.irs.gov](http://www.irs.gov) and click on "Electronic Services" and the FMS web site at [www.fms.treas.gov/efit](http://www.fms.treas.gov/efit) and click on "Income Tax Refunds."

Several ways are available to *e-file*: through a professional tax preparer, on a personal computer using tax preparation software, or over the telephone using TeleFile for eligible taxpayers who receive a TeleFile tax package. TeleFile taxpayers need to have access to a touch-tone telephone. Volunteers who can assist taxpayers in filing electronically serve VITA (Volunteer Income Tax Assistance) and TCE (Tax Counseling for the Elderly) sites that provide free tax preparation assistance for low-income individuals and the elderly at community locations. Find the closest VITA or TCE site by calling **1-800-829-1040**.

The choices for receiving a federal income tax refund are direct deposit into an account at a financial institution or a paper check sent in the mail. A financial institution is defined as a bank, thrift, or credit

union. Mutual funds and investment firms can also receive direct deposit refunds. Taxpayers simply indicate on the refund portion of the electronic return, or on the paper form 1040, their financial institution's routing transit number, account number, and type of account—checking or savings. The payment is then deposited automatically into the account. IRS even provides a toll-free TeleTax number--**1-800-829-4477**--to check on the status of income tax refunds. IRS has reported that in excess of 90,000 Federal tax refund checks, totaling more than \$67 million, were returned as undeliverable for tax-filing season 2000. As high as those numbers are, they represent a decrease from the previous year. And that decrease will be even greater as more and more taxpayers use *e-file* and direct deposit. ♦



### ***We need your email Address!***

The AFC is working to modernize our communications capability with you – our customers! We plan to conduct the annual "Customer Satisfaction Survey" later this year, on the Internet! In order for us to be able to communicate with you, we would certainly appreciate your providing us with your email address. We can use it not only for the survey, but to notify you of upcoming events, training opportunities and other announcements! Please email your address to [cas.afc@fms.treas.gov](mailto:cas.afc@fms.treas.gov) and include your name, agency name, telephone number and location. We appreciate your cooperation. ♦

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## CURRENT VALUE OF FUNDS RATE (CVFR) PERCENTAGE

Treasury Financial Manual Bulletin No. 2001-02, effective Jan. 1, 2001 publishes the percentage rate, based on the current value of funds to Treasury, to be used as follows:

- In assessing interest charges for outstanding debts on claims owed the Government under Section 11 of the Debt Collection Act of 1982, Public Law 97-365, 96 Stat. 1749, 1755 (Oct. 25, 1982).
- In evaluating the cost effectiveness of a cash discount as a comparison point. (See I TFM 6-8000 paragraphs on "Charges for Late Payments" and "Cash Discounts.") The Prompt Payment website at [www.fms.treas.gov/prompt/formulas](http://www.fms.treas.gov/prompt/formulas) provides a formula for determining whether a discount is economically justifiable.
- In determining when agencies should pay purchase card invoices when a rebate is offered by the card issuer. (See 5 CFR Part 1315.8 of the Prompt Payment rule on "Rebates.") The Prompt Payment website at [www.fms.treas.gov/prompt/rebate.html](http://www.fms.treas.gov/prompt/rebate.html) provides a spreadsheet that automatically calculates the net savings to the Government and determines whether the agency should pay early or on the Prompt Payment due date.

The percentage rate for charges on late payments to the Government, comparison point for cash discounts and determination of payment due date for Purchase Card Services to be applied for the period Jan. 1 through Dec. 31, 2001 is 6 percent. ♦